NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

such part of the leased premises.



PAID UP OIL AND GAS LEASE (No Surface Use)

THIS LEASE AGREEMENT is made this ______ 29 ____ day of _____ May

Entiquio Ramos, a Single man

whose addresss is 4362 WIMAN Drive, toff Worth.	Texas	76119		as Lessor,
and, DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Suite 1870 Dallas Texas 752	201, as Lessee.	All printed portions of th	is lease were prep	pared by the party
hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) 1. In consideration of a cash bonus in hand paid and the covenants herein contained,	were prepared jo	ointly by Lessor and Les:	300. ovelucively to 1 ec	see the following
described land, hereinafter called leased premises:	Lesson licicoly (grants, leases and lets	Exclusively to Eco	dec the tollowing
170				7-
179 ACRES OF LAND, MORE OR LESS, BEING LOT(S)	16		, BLOCK	<u> 23 </u>
OUT OF THE Eastwood		_ ADDITION, AN A	DDITION TO	THE CITY OF
Fort Worth , TARRANT COUNTY, TEX	AS, ACCOR	DING TO THAT CI	ERTAIN PLAT	RECORDED
IN VOLUME 388 -T , PAGE 37 OF THE	PLAT RECO	RDS OF TARRAN	T COUNTY, TI	EXAS.
in the County of Tarrant, State of TEXAS, containing normal gross acres, more or	r less (including	any interests therein whi	ch Lessor may he	reafter acquire by
reversion, prescription or otherwise), for the purpose of exploring for, developing, producing an	d marketing oil	and gas, along with all	hydrocarbon and	non nyarocarbon
substances produced in association therewith (including geophysical/seismic operations). The commercial gases, as well as hydrocarbon gases. In addition to the above-described leased pro-	e term gas at	s used nerem includes se also covers accretion:	riellorn, carbon o	trips or parcels of
land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described	leased premise	es, and, in consideration	of the aforementic	oned cash bonus,
Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a mo	re complete or a	accurate description of th	ie land so covered.	. For the purpose
of determining the amount of any shut-in royalties hereunder, the number of gross acres above spi	ecified shall be o	deemed correct, whether	actually more or le	ess.
	-			
2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary	term of	<u>ve co</u>)years from the da	
as long thereafter as oil or gas or other substances covered hereby are produced in paying quanti	ities from the lea	ised premises or from la	nas poolea therew	ith of this lease is
otherwise maintained in effect pursuant to the provisions hereof. 3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid	d by Lessee to I	essor as follows: (a) F	or oil and other lic	uid hydrocarbons
separated at Lessee's separator facilities, the royalty shall be	(115) of such production, to	be delivered at L	essee's option to
Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided	d that Lessee sh	hall have the continuing r	right to purchase s	uch production at
the wellhead market price then prevailing in the same field (or if there is no such price then pre	evailing in the sa	ame field, then in the ne	arest field in whic	th there is such a
prevailing price) for production of similar grade and gravity; (b) for gas (including casing he one - 1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1	aad gasjand a e sale thereofle	ess a proportionate part i	of actival orem taxe	s and production.
severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or other	herwise marketir	ng such gas or other sub	stances, provided	that Lessee shall
have the continuing right to purchase such production at the prevailing wellhead market price paid	for production of	of similar quality in the sa	ame field (or if ther	e is no such price
then prevailing in the same field, then in the nearest field in which there is such a prevailing pric	e) pursuant to c	comparable purchase co	ntracts entered int	o on the same or
nearest preceding date as the date on which Lessee commences its purchases hereunder, and (c the leased premises or lands pooled therewith are capable of either producing oil or gas or other) if at the end of	the primary term or any i	ime thereafter one	e or more wells on alls are waiting on
hydraulic fracture stimulation, but such well or wells are either shut-in or production there from is n	not being sold by	Lessee, such well or we	ils shall neverthel	ess be deemed to
be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 co	onsecutive days	such well or wells are sh	ut-in or production	there from is not
being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered b	y this lease, suc	h payment to be made t	to Lessor or to Les	ssor's credit in the
depository designated below, on or before the end of said 90-day period and thereafter on or before the end of said 90-day period and thereafter on or before the end of said 90-day period and thereafter on or before the end of said 90-day period and thereafter on or before the end of said 90-day period and thereafter on or before the end of said 90-day period and thereafter on or before the end of said 90-day period and thereafter on or before the end of said 90-day period and thereafter on or before the end of said 90-day period and thereafter on or before the end of said 90-day period and thereafter on or before the end of said 90-day period and thereafter on or before the end of said 90-day period and thereafter on or before the end of said 90-day period and thereafter on or before the end of said 90-day period and thereafter on or before the end of said 90-day period and thereafter on or before the end of said 90-day period and thereafter on or before the end of said 90-day period and thereafter on or before the end of said 90-day period and 90-day period 90-day	ore each anniver	rsary of the end of said §	/U-day period while	e the well or wells
are shut-in or production there from is not being sold by Lessee; provided that if this lease is a Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in ro	unerwise being valty shall he di	namained by operation	-day period next fo	ollowing cessation
of such operations or production. Lessee's failure to properly pay shut-in royalty shall render Less	ee liable for the	amount due, but shall no	t operate to termir	nate this lease.
All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Le	essor's credit in	at lessor's address at	ove or its succes	ssors, which shall
be Lessor's depository agent for receiving payments regardless of changes in the ownership of sa	id land. All paym	nents or tenders may be	made in currency,	or by check or by
draft and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a address known to Lessee shall constitute proper payment. If the depository should liquidate or be	a stamped envel	ope addressed to the de	pository or to the	r refuse to accept
payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instru	ument naming at	nother institution as depo	sitory agent to rec	eive payments.
Except as provided for in Paragraph 3, above, if Lessee drills a well which is incapable of	of producing in p	aying quantities (hereina	after called "dry ho	le") on the leased
premises or lands pooled therewith, or if all production (whether or not in paying quantities) pe	ermanently ceas	es from any cause, incl	uding a revision o	of unit boundaries
pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then is nevertheless remain in force if Lessee commences operations for reworking an existing well or fo	in the event this	s lease is not otherwise	: being maintained	a in Torce it shall
on the leased premises or lands pooled therewith within 90 days after completion of operations or	n such dry hole	or within 90 days after st	uch cessation of al	production. If at
the end of the primary term, or at any time thereafter, this lease is not otherwise being maintain	ned in force but	Lessee is then engage	d in drilling, rewor	king or any other
operations reasonably calculated to obtain or restore production therefrom, this lease shall remain	in force so long	as any one or more of	such operations ar	e prosecuted with
no cessation of more than 90 consecutive days, and if any such operations result in the product there is production in paying quantities from the leased premises or lands pooled therewith. After	tion of oil or gas	or other substances co	vered hereby, as i	iong thereatter as
Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reas	sonably prudent	a wen capable of produ- operator would drill unde	r the same or simi	ilar circumstances
to (a) develop the leased premises as to formations then capable of producing in paying quantit	ties on the lease	ed premises or lands po	oled therewith, or	(b) to protect the
leased premises from uncompensated drainage by any well or wells located on other lands not pe	ooled therewith.	There shall be no cove	nant to drill explor	atory wells or any
additional wells except as expressly provided herein.		-ut the union with a governtha	r landa er internet	- oc to any ar all
Lessee shall have the right but not the obligation to pool all or any part of the leased pridepths or zones, and as to any or all substances covered by this lease, either before or after the				
proper to do so in order to prudently develop or operate the leased premises, whether or not simil				
unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed &	80 acres plus a r	maximum acreage tolera	ince of 10%, and f	for a gas well or a
horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provi	vided that a large	er unit may be formed fo	ran oil well or gas	well or horizontal
completion to conform to any well spacing or density pattern that may be prescribed or permitted of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applic	by any governm	ental authority naving ju	nspiction to do so.	. For ine purpose no definition is so
prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per ba	arrel and "bas w	ell" means a well with an	i initial gas-oil ratio	of 100,000 cubic
feet or more per barrel, based on 24-hour production test conducted under normal producing	conditions using	ng standard lease sepa	rator facilities or	equivalent testing
equipment; and the term "horizontal completion" means an oil well in which the horizontal con-	mponent of the	gross completion interv	al in facilities or	equivalent testing
equipment; and the term "horizontal completion" means an oil well in which the horizontal comp	onent of the gro	oss completion interval i	n the reservoir ex-	ceeds the vertical
component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a writt Production, drilling or reworking operations anywhere on a unit which includes all or any part	of the leased or	remises shall be treated	as if it were prov	duction, drilling or
reworking operations on the leased premises, except that the production on which Lessor's royal	ty is calculated :	shall be that proportion of	of the total unit pro	duction which the
net acreage covered by this lease and included in the unit bears to the total gross acreage in t	the unit, but only	y to the extent such prop	portion of unit pro	duction is sold by
Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, a	and Lessee shall	I have the recurring right	but not the obligation	ation to revise any
unit formed hereunder by expansion or contraction or both, either before or after commenceme prescribed or permitted by the governmental authority having jurisdiction, or to conform to any p	int or production	, iii craer to contorm to de determination made	тте weii spacing i by such governme	or ususity pattern antal authority. In
making such a revision, Lessee shall file of record a written declaration describing the revised un	nit and stating th	e effective date of revision	on. To the extent	any portion of the
leased premises is included in or excluded from the unit by virtue of such revision, the proportion	of unit production	on on which royalties are	e payable hereund	ler shall thereafter
be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon pe	ermanent cessati	ion thereof, Lessee may	terminate the unit	by filing of record
a written declaration describing the unit and stating the date of termination. Pooling hereunder sha 7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, t	all not constitute	a cross-conveyance of II shut-in royalties navable	.neresis. e hereunder for an	v well on anv part
of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's i	interest in such !	part of the leased premis	es bears to the ful	I mineral estate In

- 8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferree to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.
- 9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced
- in accordance with the net acreage interest retained hereunder.

 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.
- 11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, materially water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, not, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

 12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offer, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.
- purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

 13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.
- 14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.
- 15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.
- 16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's

Eutiquio Ramos		Ву:		
ATE OF Texas	ACKNOWLEDG	MENT		
UNTY OF TAY ANT This instrument was acknowledged before me on the 2 Eutiquio Raynos	Gday of	May	, 2009,	
MARIA MUNOZ PADILLA Notary Public, State of Texas My Commission Expires October 05, 2011		Notary Public, State of Notary's name (printed Notary's commission e	i):	la
ATE OF UNTY OF This instrument was acknowledged before me on the	day of		, 2009,	



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

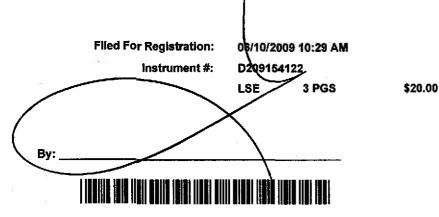
DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> <u>WARNING - THIS IS PART OF THE OFFICIAL RECORD.</u>



D209154122

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